

SGEI in the airport sector



On 19 January 2016, the European Commission approved compensation for public service obligations to two Swedish airports (Sundsvall Timra and Skelleftea) following a formal notification by the Swedish authorities.

In the 2014 Guidelines on State Aid to airports and airlines, the European Commission recognized the possibility for States to grant compensation for public service for the management of airports in isolated areas to ensure the accessibility of these territories.

So far, only the financing of the Angoulême airport in France had been authorized under the services of general economic interest (“SGEI”) regulation, and this in an exceptional way.

In its decision of 19 January 2016, the European Commission recognized the particular importance of the two Swedish airports in enabling the accessibility of two sparsely populated regions in north Sweden. Due to their location, they generate only moderate passenger traffic, which is insufficient to cover their fixed costs. The airports are therefore operating at a loss and have no scope for profitability.

Therefore, these two airports, each serving around 300,000 passengers a year, fall within the scope of application of the European Union's framework for State aid in the form of compensation for public service, effective since January 2012.

Other European airports are likely to be covered by this framework. However, there have been very few notifications by Member States.

Annabelle Lepière (annabelle.lepiece@cms-db.com)